

against any kind of health care coverage were the quickest ones to sign up. You can go down in the office of the Secretary of the Senate, and they have a blue sheet down there, and you can go down and check off if you do not want your health care coverage. Every Member in this Senate now has checked that and said that they do want it.

So the Senator is right. We have applied laws to ourselves that cover others, with the important exception that we have not given the American people what we have given ourselves in terms of health insurance, which is another issue at another time. But I think it is always important to mention that, particularly when the total number of uninsured is going up through the roof, particularly children in my State and around this country, and where the cost of health care continues, particularly in prescription drugs, to rise.

Mr. HARKIN. The Senator is our expert on health care. My question was dealing with the staff right now who are not getting paid in the Senate and the House, the air traffic controllers, and the people who work for the Department of Defense. But we do. I thought we passed a law that says that Congress has to live by the laws that the rest of the people do. You pointed out one in health care. Is it not true also that Congress is not applying to itself the very laws that say that those staff people, air traffic controllers, people working for the Department of Defense, essential Government workers, they do not get paid?

But guess what, Senators and Congressmen? We get our pay.

Mr. KENNEDY. That is certainly the way that I understand it, the way that the Senator explained it. I think it is one of the reasons why I think the American people are so frustrated and should be frustrated.

This did not have to happen, does the Senator agree with me? This did not have to happen, to work through this whole kind of a situation where they are halting the Government and effectively blackmailing the President of the United States for the first time in the history of this country, and also loading up the debt limit with similar kinds of activity to try to halt full faith and credit when we ought to be able to, as individuals, be able to work out an accommodation. That is the way it is done around here.

Mr. HARKIN. Will the Senator yield?

It seems funny, since Congress has not applied this law to itself—that is, Senators and Congressmen continue to get paid but other Government workers will not get paid.

They are the ones who have mortgages to meet, car payments, kids in school. Does it not seem fair to the Senator that perhaps we ought to take up the Boxer bill and pass it here, that would say that Senators and Congressmen and the Speaker of the House and everybody else, that we put ourselves in the same boat, that we do not get

paid either during this same period of time? Does that not seem reasonable?

Mr. KENNEDY. It certainly seems reasonable to me. It would make a great deal of sense.

Mr. HARKIN. I hope that the other side, the Republicans, would agree to bring this up and put ourselves in the same boat as all the other Government workers who are not getting paid and see how long this foolishness will go on if Senators and Congressmen are not getting paid.

Mrs. BOXER. Will the Senator yield?

Mr. KENNEDY. I am happy to yield to the Senator.

Mrs. BOXER. My question is—

Mr. NICKLES. Mr. President—

Mr. KENNEDY. Mr. President, who has the floor?

The PRESIDING OFFICER. The Senator from Massachusetts has the floor.

Mr. KENNEDY. I will yield briefly and then I will yield the floor.

Mrs. BOXER. I wanted to ask the Senator if he was aware, because the Senator from Iowa raised the subject, that in fact the U.S. Senate did pass the Boxer amendment which said no budget, no pay.

It was bipartisan. Senator DASCHLE and Senator DOLE helped me get it through. It passed twice. But it is, in fact—and I ask the Senator if he is aware of this—Speaker NEWT GINGRICH who refused to allow it to be voted on on the House side.

Is the Senator aware of that?

Mr. KENNEDY. I was not aware that very sound and worthwhile, valuable suggestion which I supported was sidetracked—Speaker GINGRICH, in other words, sidetracked that measure.

Mrs. BOXER. Yes, I say to my friend, that is true.

Mr. KENNEDY. And as a result of that, we have the inequity which the Senator from Iowa pointed out.

I yield the floor.

MORNING BUSINESS

Mr. NICKLES. Mr. President, I ask unanimous consent there now be a period for the transaction of morning business, with Senators permitted to speak for up to 15 minutes each, so if we have discussion we can have discussion on both sides of the issue.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE CONTINUING RESOLUTION

Mr. NICKLES. Mr. President, I want to respond to a couple of comments made by my friend and colleague from the State of Massachusetts.

I heard two or three statements that Republicans have a budget and they are trying to balance the budget on the backs of senior citizens and making unrealistic cuts in Medicare would be the thrust. I disagree.

Mr. President, if you look at the Medicare fund, it is going broke. The Medicare system is funded by a payroll tax. All the money goes into one fund.

It is financed by a tax that costs right now 1.45 percent of payroll, matched by employer. That is 2.9 percent.

Now, next year the fund pays out more than it takes in. You cannot continue to do that indefinitely. The fund is going broke. The President's own trustees said it is going broke.

Some of us do not want that to happen. Some of us think that would be unfair to seniors. Maybe some of my colleagues on the other side of the aisle say, "Well, do not do anything. We will not solve that problem." I disagree.

Now, there are two ways to solve the problem—either reduce the rate of growth of spending in Medicare, which is, frankly, what we are proposing, or you increase payroll taxes, which is what Congress has done in the past.

Just for my colleagues' information, I looked up years ago what was the history of Medicare taxes. The maximum tax in 1977 was \$177. That is employee and employer maximum tax. The maximum tax in 1993 was almost \$4,000. So it went substantially from \$177 to almost \$4,000.

Guess what? The fund is still going broke. So we have increased the tax rates, we have increased the basis. We are spending a lot more money, and still spending exceeds the revenues. Next year, the spending is greater than the revenue in spite of the fact that now there is no cap. It is 2.9 percent of payroll. It can be well over \$4,000 and the fund is still going broke.

If it goes broke, it cannot pay the bills. It cannot pay the hospital. It cannot pay the doctor. How is it responsible to allow that to happen? I do not believe it is responsible. So we need to fix it. That is part of our budget.

Somebody says, "Well, you are cutting Medicare." I disagree. This year we are spending \$178 billion in Medicare. By the year 2002, we will be spending \$286 billion in Medicare. That is an increase. That is an increase at twice the rate of inflation. So, Medicare under our proposal grows twice the rate of inflation, and it stays solvent. We keep the Medicare trust fund solvent for beyond the year 2010. The President keeps it solvent for a couple more years. That is not satisfactory. We are trying to be responsible. Some people are playing politics.

The President is playing politics. The Republicans wanted a 25-percent increase in beneficiaries' payments. That is so demagogic. The facts are, just to be very simple, part B, part B is voluntary. It pays for the doctors. When the system started 30 years ago, it was supposed to be 50-50. Now the percentage that beneficiaries pay is 31.5 percent. That means taxpayers pay 68.5 percent. That means my son and daughter, who are not wealthy by any means but they have jobs, they are helping to subsidize the wealthiest persons' Medicare—they help pay 68.5 percent of the Medicare premium of the wealthiest persons in America.

We are trying to make some changes in that. One, we try and keep the perk